



**SPEECH
MR. RAFAEL NARANJO**

CHAIRMAN

GENERAL SHAREHOLDERS MEETING

5th June 2013

Dear Shareholders,

It is an honor for me to have, once again, the opportunity to address you as Chairman of Acerinox to analyze the progress of the Company during the fiscal year 2012.

The year 2012 has been characterized, especially in Europe, by the continuance of the economic crisis and specifically in the stainless steel sector it has been a transition year with turbulences and hesitations produced by a consolidation and divestment process, of which we approve but in which we don't take part and which we expect to conclude this year.

The world production and consumption of stainless steel has grown again and it maintains its excellent accumulated average growth rate of around 6% during the last sixty years, however, this growth has taken place in China, while other world areas have remained stable.

Our company has also increased its production even while having a strict policy of inventory control.

Within this general framework, Acerinox has continued its policy to improve the parameters which define our activity.

We have continued to develop our fundamental objective to improve the competitiveness in our industrial facilities. We try to reach new levels of competitiveness adapted to those activity levels required by the markets in the current situation. All this is being performed through the Excellence Plans with very satisfactory results.

We have also given great importance to strengthening our balance sheet. During 2012 very consistent financial management has taken place, with special attention to financing lines, working capital and net debt reduction.

The annual results are slightly negative and practically similar to the adjustment of inventories to their net realizable value.

We have continued to develop our Strategic Plan 2008 – 2020 in accordance with the planned stages and timetable. This plan mainly considers strengthening our presence in Asia with the establishment of an integrated stainless steel production facility in Malaysia, Bahru Stainless, and setting up trading offices in the countries within the area where we did not yet have a presence.

In the first quarter of this year the second phase of the investment in Bahru Stainless has been completed in cold rolling with an investment of 680 million dollars. The plant is fully operational and in the future it will be one of the fundamental assets of Acerinox.

From the institutional point of view, I want to remark that this year the Board of Directors will propose to maintain our remuneration policy to our shareholders, although this time with a new option, including the shareholder's choice through the use of a flexible dividend or a dividend option.

The Board of Directors will also propose the re-election as board members of Mr. Diego Prado and Mr. Ryo Hattori, both as domanianal members, the first one representing Omega Capital and the second one Nisshin Steel.

Finally, I want to thank all staff within our organization for their effort, support and dedication to our project and our shareholders for the support and confidence that they show us every day which allows us to make Acerinox a competitive company and a safe and profitable investment.

Rafael Naranjo
Chairman